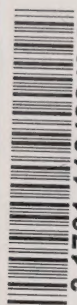


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Canada
AGRICULTURAL SUPPLIES BOARD

3rd
Report

(Summary of Activities for year ended 31 March 1942)

1941/42



Together with Reviews of Activities of
Bacon Board
Dairy Products Board
Special Products Board

Dominion Department of Agriculture
Confederation Building
Ottawa

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AGRICULTURAL SUPPLIES BOARD

Summary of Activities for the Year Ended March 31, 1942

(In the following pages the Board presents its third "annual" summary of activities. These annual reviews will be found convenient substitutes for the more detailed Progress Reports issued from time to time throughout the year. Beginning with the present report, these yearly summaries will also review briefly the activities of the Bacon Board, the Dairy Products Board, and the Special Products Board).

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AGRICULTURAL SUPPLIES BOARD

At about the beginning of the fiscal year covered by the present report, increased interest by the United Kingdom in supplies of certain Canadian farm products began to be shown. Not only were maximum shipments of cheese urged for the 1941 season, but the Bacon Board were being asked to complete the current contract for pork products in advance of the end of the contract year, and egg orders, so difficult to secure just a few months earlier, had reached a volume by the spring of 1941 that led to the establishment of a Board (The Special Products Board) to handle them. Hence, early in June of 1941 the Agricultural Supplies Board reviewed the changing picture (Progress Report No. 17) and indicated to Provincial Departments of Agriculture and to the farm press its belief that calls for increased production of various agricultural commodities were at length likely to be made. Subsequent developments have shown this belief to have been well founded. New bacon, cheese, and egg contracts all specified quantities greater than were coming forward normally; and to support campaigns for increased output of animal products, special measures had to be taken with respect to live stock and poultry feeds - the encouragement of increased production of coarse grains and forage crops, freight assistance in moving feeds to areas in short supply, and the control of exports so that the needs of Canadian feeders would be safeguarded.

Another aspect of the supply problem presented itself with Japan's entry into the war in early December, 1941, and the subsequent enlargement of the active war zone to the Southern Pacific and Indian Ocean areas. Both rural and urban people were of course affected by the cutting off of this continent's chief source of rubber. Agriculture, however, was particularly hard hit by the cutting off of supplies of tin from Malaya (equipment for dairying, maple-sugar making, etc., containers for the marketing of evaporated milk, honey, processed fruits and vegetables), of jute from Calcutta (bags, wrappers for export bacon), and of various fibre from the Philippines (rope, binder twine). Coincident with these developments came a speeding up of the production of war supplies in both Canada and the United States, with a consequent greatly increased demand for steel and other basic materials for strictly war purposes and severe restriction of their uses in the manufacture of equipment for civilian purposes including agriculture; while intensification of submarine warfare on the Atlantic not only affected petroleum supplies (oil and gasoline) reaching Canada and the United States but also raised new problems in connection with the shipment of food and other supplies to Britain.

Organization

During the year ended March 31, 1942, developments of various kinds called for certain changes in the organization of the Board.

The growing importance of animal and poultry feeds in view of increasing commitments to Britain respecting animal products led to the appointment on October 1, 1941, of a Feeds Administrator, while developments in other fields of supply later led to the appointment of Administrators for Seeds, Fertilizers and Pesticides, and Flax Fibre. These Administrators are responsible to the Agricultural Supplies Board in so far as their main work of ensuring supplies is concerned; they likewise have been named by the Wartime Prices and Trade Board as Administrators of price-ceiling policies as they apply to the products over which their jurisdiction extends. The principal officers of these administration staffs are:

- Seeds Administrator - Nelson Young, Head of the Plant Products Division, Dominion Department of Agriculture, and Chairman of the Seed Supply Committee.
- Assistants - (Supplies, Agricultural Supplies Board)
C. Sweet, Chief, Plant Products (Seeds),
Dominion Department of Agriculture.
- (Prices, Wartime Prices and Trade Board)
E. D. Eddy, Eddy Seed Cleaners, Toronto.

Feeds Administrator - F. W. Present, Manager of Feeds Department, Toronto Elevators Limited, Toronto.
Assistants - W. R. White, Associate Chief, Plant Products (Feeds), Dominion Department of Agriculture.
- D. E. Thompson, Chief Inspector for Ontario, Canadian Wheat Board.

Fertilizers and Pesticides Administrator - G. S. Peart, Chief, Plant Products (Fertilizers and Pesticides), Dominion Department of Agriculture, and Chairman of the Fertilizer and Pesticides Supply Committees.

Assistant - G. C. Callister, formerly Director of the Potash Institute of America.

Flax Fibre Administrator - Nelson Young (see Seeds Administrator above).

Assistant - J. W. Mackay, District Supervisor for Eastern Ontario, Plant Products Division, Dominion Department of Agriculture.

Other technical workers seconded to the Agricultural Supplies Board from the Dominion Department of Agriculture during the fiscal year under review are:

Economic Adviser - Dr. W. C. Hopper, Principal Economist, Agricultural Economics Division, Marketing Service.

Technical Adviser on Equipment & Containers - J. M. Armstrong, Agricultural Engineer, Experimental Farms Service, and Secretary of the Eastern Canada Agricultural Engineering Committee. (Acts as liaison officer between the Agricultural Supplies Board and the appropriate Administrators of the Wartime Prices and Trade Board and Controllers of the Department of Munitions and Supply.

Technical Adviser on Fruit & Vegetable Processing - R. W. Arengo-Jones, Horticulture Division, Experimental Farms Service.

Following the establishment by the Special Products Board, about the beginning of the fiscal year, of a section dealing with fruit and vegetable products, the Fruit and Vegetable Committee which had been set up under the Agricultural Supplies Board the previous year was dissolved.

During the year under review, various temporary committees were named by the Agricultural Supplies Board to deal with specific matters, automatically dissolving when their work was completed. Typical of these were: a committee to draw up a pamphlet on the feeding of wheat, membership including representatives of both eastern and western colleges and officials of the Dominion Department of Agriculture; a committee to draw up recommendations to the public respecting home-gardening and home-canning plans for Canada for 1942, membership including officials of the Dominion Department of Agriculture and representatives of the Food Administration Office of the Wartime Prices and Trade Board; and a committee representing the Agricultural Supplies Board and the Wartime Prices and Trade Board to work with the Oils and Fats Administrator on Canadian plans for the production of oil bearing seeds in 1942 (flaxseed, soybeans, sunflowers).

Contacts with British Authorities, etc.

In the fall of 1939 and again in the fall of 1940, the Board was represented in the Canadian Missions which visited Britain to discuss with officials of the United Kingdom Ministries of Food and Supply matters relating to supplies of Canadian farm products required

by the above Ministries. Following the establishment at Washington, about the beginning of the fiscal year, of offices of a British Food Mission, representatives of the Dominion Department of Agriculture and the Board spent some time in Washington discussing with British and American authorities the whole matter of agricultural supplies for Britain. During these discussions, officials of the British Food Mission agreed that purchases of foodstuffs from the United States under Lend-Lease arrangements would not interfere with purchases of Canadian farm products for which outlet is normally found in Britain. Frequent visits were made to Ottawa during the year by representatives of the Food Mission, and towards the end of the fiscal year an office was opened in Ottawa by the British Food Mission to maintain close contact with Canadian suppliers of food products.

As previously, the Board also maintained close contact with the British Ministries of Food and Supply through the High Commissioner's Office in London.

Developments in the domestic market, particularly following the establishment of the Government's price ceiling policy, have likewise led to close collaboration between this Board and the Food Administration staff of the Wartime Prices and Trade Board.

Meetings, Conferences, etc.

During the year, the Board held more than 100 regular meetings. Numerous conferences were also held between the Board and various groups interested in supply or other problems relating to Canada's agricultural war programme.

CO-OPERATION WITH THE PROVINCES

Conference on Live Stock Feeds - On September 10 and 11, a conference was held at Ottawa between Dominion and Provincial Departments of Agriculture officials and representatives of farm organizations to study supplies and requirements of live stock feeds throughout Canada for the 1941-42 feeding season, and to make such recommendations respecting feeds as might seem desirable in view of the heavy commitments which Canada had undertaken for the third war year with respect to supplies of animal products.

Despite the increased acreages of coarse grains in the Prairie Provinces resulting from the 1941 wheat-acreage reduction policy, it had become evident at the time of the conference that total supplies of coarse grains for Canada would not be much greater than normal and that oats were likely to be in short supply. Drought in many districts of the West had caused low yields of coarse grains; drought throughout much of Ontario and Quebec had made Eastern Canada even more dependent than usual on the West for feeds needed to supplement home-grown concentrates.

On the other hand, considerably increased live stock populations, particularly in Western Canada, called for much more than normal supplies of live stock feeds. The Board was therefore commended on measures that had been taken to prevent feeds from leaving the country until it was known that they would not be required by Canadian feeders, and study was made of the problem of distributing feeds in Canada and of measures calculated to keep costs of feedstuffs in relation to returns available from animal products.

Freight Assistance for Eastern Canada - On September 25, 1941, provision was made for the payment by the Dominion Government of one-third of the regular freight charges from Head of the Lakes points to destination in any of the five Eastern provinces on Western feeds, a policy designed to reduce transportation charges on such feeds to approximately export freight levels. Later, to tie in with the Government's price-ceiling plan and with certain measures of

assistance offered to farmers in other parts of Canada, the Dominion Government undertook the payment of full freight charges in the movement of these feeds eastward from Head of the Lakes points, when brought down in carload lots or steamship cargoes and distributed for use exclusively for feed in Canada before July 1, 1942. By a further Order issued on October 28th, freight assistance was extended to cover Western feeds which had been moved to storage in the East after May 1st, 1941. This assistance was made available to all who moved the specified Western grains East in compliance with the regulations, the aim being to lower by the extent of the freight assistance, the cost of Western feeds to Eastern farmers, whether farmers bought these in carlots direct from the Head of the Lakes or by the bag from local dealers.

Freight Assistance in B.C. - At the time of the above conference, British Columbia delegates were of the opinion that local feed supplies would be sufficient in their province. Reduced yields because of poor harvesting weather, however, later brought a request for Dominion assistance in the movement of feeds from the Prairie Provinces to destination in B.C. Two measures of assistance were provided. Following representations made by the Board the railway companies agreed to extend the advantages of C.F.A. Tariff No. 145 (intermediate between the domestic rate and the export rate) to certain Western feeds not already benefiting by its provisions - including Manitoba corn. As from November 18, 1941, the Dominion Government undertook to pay full freight charges on specified feeds from Calgary, Edmonton and other Alberta points having the same freight rate, to destinations in B.C. on such feeds if distributed for use exclusively as feed in B.C. before July 1, 1942, provided that wherever applicable the rates shown in Tariff No. 145 must be used. As with Eastern Canada, provision was made for the application of the freight assistance to feeds in store at the time the Order was passed, with certain provisos regarding origin and period when such feed moved into B.C.

Fertilizer Subventions - Early in January, 1942, the Dominion Deputy Minister of Agriculture outlined to the provinces concerned, Dominion proposals for providing subventions on fertilizers purchased by farmers in Eastern Canada and B.C. for use in the spring of 1942 on certain crops needed for live stock and poultry feeding. Subsequently, conversations took place between the Board's representative and provincial authorities regarding the method to be followed in administering the policy, and in February the policy came into effect, the Board providing funds to implement the plan worked out. Further mention of this policy will be found elsewhere in the report.

Dominion-Provincial Seed Programmes - As mentioned more fully elsewhere in this report, programmes for the production of certain field root and vegetable garden seeds, ordinarily imported largely from Europe, were again undertaken jointly by the Dominion Government and certain provincial governments.

Campaign for Increased Egg Production - Following the increased interest shown by the British Ministry of Food in securing supplies of Canadian eggs, the co-operation of provincial departments of agriculture was sought, in letters sent out on July 19th, in a campaign designed to increase egg production with the poultry stock already on hand. It was suggested that all good mature layers be kept in addition to all good pullets, while local campaigns of improved management and feeding practices for maximum egg production were likewise urged. The Board co-operated by having its representative visit provincial departments of agriculture to help plan local campaigns and by providing large editions of a number of leaflets stressing specific points in connection with egg production.

Bonus on Grade A Eggs - To encourage the production of the maximum volume of eggs of the quality desired for export to Britain, on December 16, 1941, the Board provided funds for the payment of a three cents per dozen bonus on all Grade A eggs for export under the then existing agreement for a minimum of 772,000 30-dozen cases for fresh

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shipment and 50,000 30-dozen cases for storage. Payment of this bonus began on December 22nd.

Production Campaigns re. Coarse Grains and Oil-Bearing Seeds - Following announcement, towards the end of the fiscal year, of the Government's Wheat Policy for the 1942-43 crop year, the Board conducted an extensive publicity campaign in co-operation with the provincial departments of agriculture concerned for the increased production in the Prairie Provinces of flaxseed and coarse grains, particularly barley. Advertisements were placed in some 15 dailies, approximately 300 rural weeklies, and 9 farm papers serving the Prairie Provinces suggesting crop production programmes for these provinces for 1942; the same material was used in 10,000 posters for placing in grain elevators, etc., and was reprinted as a four-page pamphlet mailed to 300,000 farmers throughout the West. A representative of the Board likewise spent some time with the provincial departments concerned helping to co-ordinate Dominion and Provincial campaign work.

The Board likewise collaborated with those provinces interested in working out certain details in connection with a campaign for increased production of soybeans for oil.

Information on Activities - Throughout the year, Progress Reports were issued from time to time on the activities of the Board. These were provided to provincial departments of agriculture in sufficient numbers to cover their principal officers and field workers, and were also sent to agricultural colleges and the farm press. Copies of special statements by the Board, of outlines of agreements entered into with British authorities regarding Canadian farm products, and of other documents relating to the work of the Board were likewise supplied to provincial departments of agriculture.

Wartime Pamphlets - During the year under review, the Board issued five Special Pamphlets in its Wartime Production Series, thus bringing to 61 the number available in the series. Posters on "Spider Beetles" were likewise distributed. These were published in quantities large enough to meet the needs of provincial departments of agriculture and agricultural colleges as well as Dominion agencies, of distribution. Printing of these pamphlets ran to 900,000 copies (725,000 English and 175,000 French), and distribution for the year ended March 31, 1941 was just under 770,000, making a grand total of all those distributed to date of 1,600,000.

RE. SUPPLIES FOR THE UNITED KINGDOM

This Board has the general responsibility of assuring supplies of Canadian farm products to meet commitments made to the United Kingdom, although the actual purchasing and forwarding of these supplies are the responsibility of the Bacon Board, the Dairy Products Board, and the Special Products Board. At the beginning of the fiscal year the Agricultural Supplies Board had under way two advertising campaigns in the farm press designed to encourage increased production of certain commodities for export to Britain. One series of advertisements, which appeared in the late winter and early spring months of 1941, urged increased milk production through better crops and pastures. A second series, which ran throughout the year, kept before the public Canada's increasing commitments on bacon and stressed the marketing of bacon hogs at proper weights and in proper finish.

During the year, the Agricultural Supplies Board likewise financed certain more-or-less experimental projects in connection with food supplies for the United Kingdom, as follows:

Experimental Refrigeration of Ordinary Stowage Space - In the spring of 1941, officials of the British Ministry of Food requested the Canadian Bacon Board to give urgent consideration to the possibility

of forwarding Canadian bacon in ordinary unrefrigerated stowage since, on the one hand, enemy action on the Atlantic was reducing the number of ships equipped with regular refrigerated holds and, on the other hand, the volume of bacon and other perishable products moving to Britain was steadily increasing. Through funds provided by the Agricultural Supplies Board, the Bacon Board and the National Research Council worked out plans for refrigerating ordinary stowage space on merchant vessels by means of portable refrigerated equipment installed 'tween decks, with necessary ducts and insulation for the stowage space itself, and in late June a hold of 55,000 cubic feet capacity was equipped with portable refrigerated units in a vessel provided for the purpose by the Transport Controller.

Three test shipments of bacon and cheese were made, vessel and equipment being lost on the third voyage. The results, however, had already proved so successful that the British Ministry of War Transport fitted several vessels with similar portable refrigerator equipment.

Oil Treatment of Shell Eggs for Export - In view of the rapidly increasing volume of Canadian eggs required by Britain and the desirability of extending the season during which eggs might safely be shipped, in the summer of 1941 the Agricultural Supplies Board provided funds for the testing, through trial shipments during hot weather, of a method developed by the National Research Council for treating export eggs with oil and sealing them in egg case liner bags to reduce risks of deterioration in egg quality during transportation. The results of the test proved satisfactory, the Board provided funds to be used in the oil treatment of Canadian export eggs in the above manner. Later developments, calling for the shipment of all Canadian eggs for export in dried form, made unnecessary the foregoing treatment as from February, 1942, but the development of the treatment will doubtless be again found of value when the export of shell eggs is resumed after the war.

Re. Vegetable Dehydration - From time to time since the outbreak of war, attempts were made to interest British Food authorities in dehydrated vegetables, products which Canada turned out in fairly large quantities in the later years of the war of 1914-18. These attempts met with little response until the late fall of 1941, when Dr. C. S. Hanes, of the United Kingdom Department of Scientific and Industrial Research, arrived in Canada to exchange views with technical workers on this side of the Atlantic regarding the possibility of improving the palatability, vitamin content, and keeping quality of dehydrated vegetable products.

From experiences of the last war, Dr. Hanes pointed out, it was realized that dehydrated vegetables could be of very low quality; and though products turned out more recently by certain Canadian plants had compared most favourably with any reaching Britain up to that time, no commercial samples received from any country supplying foodstuffs to the United Kingdom had been considered entirely satisfactory in view of present standards of nutrition. The question now was whether, by following in factories certain pre-processing, processing, and packaging methods that had been proved on a laboratory scale both in England and in Canada to turn out a superior product, Canadian plants could produce dehydrated vegetables of a quality to encourage their wider use by the British War Office and other purchasers of foods for war purposes.

In December, 1941, the Agricultural Supplies Board secured authority to place in five Canadian plants already engaged in dehydration work - one in B.C., two in Ontario, and two in Nova Scotia - the extra equipment called for in experimental processing to the new specifications and to have these plants purchase and process for Government account, under supervision of the Board's representative, certain quantities of vegetables of 1941 production. One of the principal objects of the project was to develop a factory technique based on British and Canadian laboratory findings; another was to secure commercial-scale samples of dehydrated vegetables for placing with potential purchasers of such products for war purposes in the hope that the product processed under this arrangement might lead to an important demand for Canadian vegetables in the dried form.

Under this project, approximately 170 tons (dried product) of potatoes were produced, 69 tons turnips, 31 tons carrots, and 13 tons cabbage. Considerable quantities of these dried products were placed with Canadian Defence Forces for use as emergency rations, particularly in connection with Coastal Defence work, while as the fiscal year ended attempts were being made to interest British officials in the product.

It is believed that a processing and packaging technique for factory production has now been worked out that will result in a high quality product. Should further vegetable dehydration for war purposes be undertaken, however, it is felt that close Government supervision of processing and packaging should be maintained.

SAFE-GUARDING SUPPLIES NEEDED IN PRODUCTION

When the Agricultural Supplies Board was established, it was authorized among other things to take all necessary measures to safeguard during wartime "supplies for use in agricultural production," including feed, seed, fertilizers, insecticides, and other materials for use in the production, preparation and conservation of agricultural products. This phase of the Board's work has called for various types of action: encouragement of increased output of certain types of supplies that were produced in Canada but not in sufficient quantity to meet wartime needs (e.g. vegetable seeds); assistance in moving supplies to where they are needed (e.g. freight assistance in moving feeds); search for new sources of, or substitutes for, materials formerly imported from countries now cut off by war developments (e.g. certain fertilizers and pesticides); control of exports (e.g. millfeeds and other products); assistance in getting priorities on materials of importance in war industries, etc.

Such work increased greatly during the year under review, and particularly following the spread of war to Pacific areas.

Through Seed Supply Committee

Root and Vegetable Seeds - Measures undertaken in 1940 to ensure supplies of certain field root and garden vegetable seeds, formerly supplied wholly or in part by European countries now under enemy control, were continued. Under these plans, Provincial Seed Production Committees arranged for growers to produce, under contract, seed of all varieties recommended for registration; and the Dominion and Provincial Governments agreed to accept all seed grown on the acreage contracted for, provided the quality was satisfactory. The acreages of seed crops included under this plan and the estimates of yields are as follows -

Kinds	Acres	Estimated Yield
Beans	42	37,800
Beets	100	90,000
Cabbage	34	26,200
Cauliflower	10	1,500
Cucumber	5	2,000
Lettuce	5	1,500
Onions	259	90,650
Radish	43	12,900
Spinach	32	12,800
Tomato	60	3,900
Swedes	397	158,800
Mangels	330	247,500

An individual survey was made of each of the following kinds of seed - dried peas, dried beans, soybeans, buckwheat, and oil flax. These surveys were made partly by circularization of the trade and partly by Plant Products Division field staffs.

As the season progressed, the incidence of price control began to be felt on seed supplies and, in order to safeguard supplies, it was necessary to ask for the appointment of a Seeds Administrator. As already indicated, this official acts on behalf of the Agricultural Supplies Board in taking measures to safeguard seed supplies needed while at the same time administering the price-ceiling policy on seeds as the representative of the Wartime Prices and Trade Board.

In December 1941, the following seeds were placed on the list of products which could not be exported save on permits approved by the Seeds Administrator of the Agricultural Supplies Board:

barley	asparagus
wheat	beans (garden and field)
oats	beets
rye	cabbage
flax (oil)	carrot
soybeans	cauliflower
alfalfa	celery
alsike	corn (garden and field)
red clover	citron
sweet clover	cucumber
brome grass	lettuce
crested wheat grass	muskmelon
millet	mustard
Western rye grass	onion
timothy	onion sets
white clover	parsnip
red top	peas (garden and field)
Canadian blue grass	pepper
Kentucky blue grass	pumpkin
creeping red fescue	radish
	spinach
	squash
	vegetable marrow
	tomato
	turnip
	swede
	mangel
	sugar beet seed

Through Fertilizer Supply Committee

The Committee maintained contact with provincial fertilizer boards and councils in promoting the conservation and better use of fertilizers. In co-operation with provincial boards, the Committee was successful in having unnecessary and undesirable analyses of mixed fertilizers largely eliminated from use, and increasingly have users of fertilizers been instructed in the most suitable mixtures for the different crops and soils.

Restrictions of Exports - Restriction of exports of fertilizers, undertaken in October, 1939, was continued during the year under review, to ensure ample supply in Canada. Without export control shortages might have occurred, since prices available in the United States market ran \$3 a ton or more higher than those established under the price-ceiling regulations. Subject to export control throughout the year were:

All complete and mixed fertilizers	Superphosphate
Sulphate of ammonia	Muriate of potash
Nitrate of soda	Sulphate of potash
Calcium cyanimide	Potassium nitrate
Ammonium phosphate	

Permits for the export of any of the above were given only with the approval of the Chairman of the Fertilizer Supply Committee. Normal tonnage was permitted to be exported to British Empire countries and the United States.

Fertilizer Subventions - With a view to encouraging the increased production in Eastern Canada and British Columbia of home-grown supplies of feeds, in February, 1942, a programme of promoting the use of fertilizers on the crops needed for live stock and poultry feeding was inaugurated in the five Eastern Provinces and in B.C.

On fertilizers purchased by and delivered to farmers between January 1st and July 1st, 1942, for use on their own farms in any of the provinces mentioned, subventions were made payable, provided the fertilizers were used on any of the following crops: pastures; clover, alfalfa and grass hay crops; field corn; spring wheat, oats, barley, and spring mixed grains for grain production; mangels and turnips. Subsequently the fertilizer subvention regulations were extended to include fertilizers purchased by and delivered to farmers in the said provinces during the months of October, November, and December, 1941, for use in the spring of 1942.

These fertilizer subventions were limited to the six provinces that normally bring in some live stock feeds from outside their boundaries and were not made available in the Prairie Provinces, where encouragement of coarse grain production, etc., took other forms.

Through Pesticide Supply Committee

During the year under review, the Committee maintained its interest in supplies of insecticides, fungicides, disinfectants, and other pesticides. In general, no urgent shortages developed, but by the fall of 1941 Lend-Lease activities in the United States were beginning seriously to effect a number of materials including chlorine derivatives and other materials used in the production of munitions.

After the outbreak of war with Japan, the rapid loss of East Indian territories made it apparent that when stocks then on hand of certain materials had been exhausted new sources of supply would have to be found. As supplies of pesticides from such sources normally reached Canada through United States channels, the Canadian position must of necessity depend directly upon the supply position in the United States.

A survey of requirements and sources of supplies was made in the month of December. Circulars were sent to 225 registrants of pesticides under the Pest Control Products Act and an additional 40 enquiries were made of large houses, many of them in the United States to whom the circular could not very well be applied. It was learned that for normal purposes most pesticides would be available for the growing season of 1942.

As the fiscal year ended, sodium chlorate used for weed killing was in somewhat short supply, but it was believed possible to ration its distribution in such a manner that there would be no serious interference with necessary work on roads or farms.

Restriction of Exports - On the recommendation of the Agricultural Supplies Board, provision was made in early December, 1941, for the control of exports from Canada of all proprietary insecticides, vermicides or vermifuges, fungicides, germicides or disinfectants, avicides, herbicides or weed killers, and rodenticides, as well as of the following materials:

Arsenic acid and	Organic mercurials
arsenious acid	Paradichlorobenzene
Calcium arsenate	Pyrethrum
Calcium cyanamid	Rotenone-containing products
Calcium hypochlorite	including Derris, Cube and
Calomel	Timbo
Carbon tetrachloride	Sodium aluminum fluoride
Caseinates	Sodium arsenite
Copper carbonate	Sodium chlorate

Copper mono-hydrate	Sodium fluoride
Copper sulphate	Sodium hypochlorite
Corrosive sublimate	Sodium silicofluoride.
Ethylene dichloride	Strychnine
Formaldehyde	Sulphur for insecticide
Lead arsenate	and fungicide use
Naphthalene	Tar acids
Nicotine sulphate	Thiocyanate

The above pesticides and materials can only be exported on permit, applications for which must first be approved by the Chairman of the Pesticide Supply Committee (later the Fertilizers and Pesticides Administrator).

Owing to a growing scarcity of supplies both of fertilizers and of pesticides, and to difficulties of ensuring equitable distribution of what supplies were available, a Fertilizers and Pesticides Administrator was appointed in February, 1942. This Administrator, under the authority of the Agricultural Supplies Board, was charged with taking such measures as might be necessary effectively to control supply and distribution of fertilizer and pesticide products from the standpoint of both domestic and export needs.

ACTION RE. LIVE STOCK FEEDS

In view of commitments made to the United Kingdom respecting supplies of animal products from Canada, live stock and poultry feeds have assumed increasing importance with the progress of the war, and during the fiscal year under review Government action taken to assure adequate supplies assumed many forms.

First, both chronologically and in order of importance, were measures taken to assure the increased production of feeds in Canada to support rapidly increasing numbers of hogs, poultry, and other live stock on farms. About the beginning of the fiscal year the Government's Wheat-Acreage Reduction Policy for the crop year 1941-42 was announced, with its system of acreage bonuses to encourage increased production of coarse grains in the Prairie Provinces. At the same time, advertisements placed with the farm press throughout Canada during the spring months of 1941 urged the importance of pasture improvement and of annual forage crops to supplement meadows in case of fodder shortages. Some weeks later, when continued dry weather in Ontario and Quebec threatened a shortage of grass in those areas from which the bulk of cheese for export was looked for, an active press and radio campaign was undertaken to urge the planting of cash crops of one kind or another as a means of increasing summer feed supplies.

Another type of action was the provision, beginning in the fall of 1941, of the Freight Assistance Policies already mentioned, which had for their object encouragement of the movement of certain feed concentrates from areas of plentiful supplies to areas that were short of feeds.

A third type of action involved control of exports of live stock feeds and feed ingredients in order to safeguard the position of Canadian farmers and poultrymen. Actually before the beginning of the year under review, provisions had been made for exercising such control over exports should necessity arise, by an Order in Council passed on March 4, 1941, authorizing the Minister of Agriculture to prohibit "in his discretion and to the extent the he may deem desirable" the export from Canada of feed grains and millfeeds.

Re. Millfeeds

In view of drought conditions, particularly in Eastern Ontario and Western Quebec, which had resulted in the drying up of pastures and threatened reduction in hay and grain yield, representations

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were made to the Board in late June with respect to the desirability of making wheat millfeeds more readily obtainable by farmers in the drought areas. Not only was it felt that millfeeds offered the best substitute for pasture grasses, but also that they were the most immediately available feeds until threshing should give farmers their own supplies of home-grown grains.

Negotiations conducted jointly by the Agricultural Supplies Board and the Wartime Prices and Trade Board with representatives of the milling industry resulted in an agreement by the latter to reduce millfeed prices by \$3 per ton, wholesale carlot basis, for the emergency period, namely, from July 15th to August 31st. At the same time the Agricultural Supplies Board took action, as from July 15th, to control the export of millfeeds with a view to the retention in Canada of supplies needed to meet Canadian feed requirements.

Export Control - The output of some hundreds of small mills catering to a local trade, of course, remained in Canada in its entirety as usual; while the 35 or so large organizations ordinarily engaging in the export trade were given licenses to export, but on quotas to be set weekly by the Board. The Board, in turn, appointed a fieldman to investigate the supply situation in drought areas as a basis for the fixing of weekly export quotas.

Beginning with an arbitrary export ratio during the first week of control, since it was not known how large the volume of millfeeds could be absorbed in Canada and millings for flour export were heavy, quotas were successively reduced each week until, as from August 21st, exports of millfeeds ceased entirely save for the exceptions mentioned later. During the period July 15th to August 21st the 35 companies licensed produced 73,299 tons of millfeeds of which 27,080 tons were exported. Thus during the period under review the domestic market received approximately 63 per cent of the output of the companies mentioned and 100 per cent of the output of other mills.

After August 21st, 1941, no exports of millfeeds from Canada were allowed, with the following exceptions: (a) as a matter of Empire policy, permits were granted for the exportation of live stock feeds, including millfeeds, needed in Newfoundland, Iceland, the British West Indies, and Hong Kong, since these were dependent upon Canada for feed supplies. (b) Over a three-month period, Canadian shippers were allowed to export sufficient millfeeds to complete bona fide contracts made with American buyers prior to the stopping of exports on October 21st, as far as possible using the millfeeds mentioned hereunder. (c) Canadian mills were allowed to export to the United States the millfeeds derived from the milling of flour for sale to Newfoundland and non-sterling countries in the Western Hemisphere, in order that Canadian mills could compete for flour orders from these countries with American companies which milled Canadian wheat in bond. Since Canadian mills could not otherwise have competed for this business, millfeeds produced under this plan constituted an "extra source"; hence the provisions in no way affects potential supplies in Canada. Following the introduction of a Freight Assistance Policy, which provided assistance on movement to destination in Eastern Canada of millfeeds from Western wheat, companies milling Ontario winter wheat were allowed to export to the United States 50 per cent of the millfeeds derived therefrom, to compensate for the loss taken in selling the other 50 per cent in Canada in competition with millfeeds applying to freight assistance.

The greatly increased use of millfeeds in Canada as a result of export control, ceiling prices that compared favourably with those on other grains and feeds, and freight assistance in the movement of millfeeds to points in Eastern Canada and B.C., is shown in the following table:

Comparative Table of Production, Export,
and Domestic Disappearance of Millfeeds
(all Canada)

	Fiscal year ended Mar 31/41 (tons)	Fiscal year ended Mar 31/42 (tons)	Oct 1/40 to Mar 31/41 (tons)	Oct 1/41 to Mar 31/42 (tons)
Production	578,870	728,776	303,949	338,618
Exports	227,135	227,136	119,370	49,065
Domestic Disappearance	351,067*	505,373*	195,411*	298,326*

* "Domestic Disappearance" is not necessarily the exact difference between "Production" and "Exports" for a given period, since exports may represent in part "stocks on hand" at the beginning of the period.

Grains for Feeding

As from August 25th, the export from Canada of oats, barley, and wheat of Grade 4 or lower grades was brought under control, while later orders extended this control to virtually all feed grains. To enable growers of special barley for malting purposes to secure the best available price for their special product, permits were granted for the export of approximately two million bushels, the volume it was felt safe to allow out of the country. Similarly, permits were given for the export of Certified and Registered seed oats. With the exception of rye, which was brought under export control like other grains but allowed to move more-or-less freely, Canadian grains that might be needed for live stock feeding were kept in Canada. Grains of all kinds were available throughout the 1941-42 feeding season, but some might have been in short supply had not action been taken to control exports. Reports indicated heavy feeding, the use of wheat amongst feeders being particularly marked.

Hay and Straw

In view of a short hay crop in various parts of Ontario and Quebec, the Board took action in the summer of 1941 to prevent exports of hay from those areas, though export permits were freely granted for the movement to Newfoundland of hay originating in the Maritime Provinces. This rigid banning of hay exports from Ontario and Quebec was justified by the acute shortages of hay that developed, particularly in Quebec, during the winter of 1941-42, when hay was brought to Quebec from as far away as Manitoba and New Brunswick. Unfortunately for many feeders who had to purchase hay prices rose to high levels, since hay was of necessity removed from price ceiling control in order to encourage farmers to market all available surplus within shortage areas.

Control was likewise exercised over straw, particularly in those districts where shortages were feared.

Protein Feeds

Ample supplies of vegetable proteins were available to meet demand. Some adjustment of formulas and feed practices had to be made in order to utilize those available in Canada and substitute for those normally imported in volume.

Export control was established over all animal protein products. Packing House by-products were practically all retained in Canada, and save for a short period in late November and early December, 1941, demand kept close up to the available supply. Fishmeal in substantial quantities had to be brought to Eastern Canada from the British Columbia coast in order to meet a demand which could not be supplied from Atlantic sources. Milk products in the form of buttermilk and skim milk were decidedly short of meeting demand, and all available substitutes were made use of.

Feeds Under Export Control

For purposes of record, live stock feeds and feed ingredients listed at the close of the fiscal year as products which could not be exported from Canada save on permits approved by the Board's Feed Administrator, are given herewith:

alfalfa, alfalfa meal, and alfalfa leaf meal
grasses, cereal or other, dehydrated
legumes, dehydrated, for animal or poultry feeding
hay, all kinds
straw, all kinds
wheat, grade 4 or lower grades
rye, whole or ground
buckwheat, whole or ground
oats, barley, or any combination or mixture of
these or of either of them with other feed
grains, whole or ground.
corn, whole, ground or cracked, corn gluten feed,
hominy and corn grits
grain screenings of feed grades
oat screenings and uncleaned screenings
wheat bran, wheat shorts, wheat middlings
mixed feeds
dried beet pulp
brewers' dried grains
dried brewers' yeast
distillers' dried grains
linseed oilcake or meal
copra oilcake meal
malt sprouts
dried blood
fish meal
tankage, meat and bone tankage, meat meal or meat scrap,
meat and bone meal, or meat and bone scrap, n.o.p.
bones, all kinds
bone meal
charcoal, animal, including bone char or bone black,
either before or after use in clarifying sugar or
syrup solutions.

Feeds Administrator

On October 1st, 1941, a Feeds Administrator was appointed under the Board to deal with matters pertaining to supplies of live stock and poultry feeds required in Canada. Not only was he made responsible for the control of exports of feeds and for finding substitutes for, or new sources of, feeds in short supply but also for the administration of the Freight Assistance Policies on the transportation of feeds to Eastern Canada and British Columbia.

Freight Assistance

The purpose and scope of the Freight Assistance Policies on the movement of feeds appears earlier in this report. The following indicates the amounts that had been paid out to the close of the fiscal year against claims accepted to that date:

1. Eastern Canada Freight Assistance Policy

Total of claims accepted and paid	8,472
Total money paid out	\$2,941,036.45

2. British Columbia Freight Assistance Policy

Total of claims accepted and paid	888
Total money paid out	\$ 239,872.32

3. Grand Totals

Claims accepted and paid	9,360
Money paid out	\$3,180,908.77

ASSISTANCE IN APPLE MARKETING

The conditions that called for Dominion Government aid in the disposal of surplus apples of the 1939 and 1940 crop were repeated in connection with the 1941 crop. The apple crop in each province was smaller than in 1940, and early in the season there was no indication that it would be possible to export apples to the British market. In view of this, representatives of growers' associations and the trade met with the Board and Departmental officials from time to time, and plans were worked out for assistance by the Dominion Government in marketing apples grown in Nova Scotia and British Columbia.

In September the British Ministry of Food advised that it would take a considerable quantity of fresh apples from Canada. This resulted in a slight change in the British Columbia Agreement. Owing to the export of apples from British Columbia, Nova Scotia, and to a lesser extent from Ontario, it was unnecessary to consider any assistance to the apple growers of Ontario.

The agreements for the marketing of the 1941 crop were briefly as follows,-

Agreements

British Columbia: - The Government agreed to pay \$1.15 per box f.o.b. shipping point, for all apples shipped to the British Ministry of Food. The Government also agreed to pay 40¢ per box for any quantity by which the total of schedule apples sold by the Board either in or out of Canada was less than 4,600,000 boxes.

Ontario: - No agreement was entered into.

Nova Scotia: - The Government agreed to assist in the marketing of the maximum quantity of 1,500,000 barrels of schedule apples,

- (a) by paying to the Board the sum or amount by which the total f.o.b. value of sales by the Board of schedule apples for fresh consumption at prices authorized by the Minister averages less than \$2.35 per barrel;
- (b) by paying to the Board the sum or amount by which the total f.o.b. value from other sales or disposal by the Board, as directed by the Minister, of the balance of schedule apples averages less than \$2.00 per barrel;
- (c) by paying to the Board the sum or amount of \$1.30 per barrel for any quantity by which the total schedule apples delivered to the Board and accounted for under paragraphs (a) and (b) of this clause may be less than 1,250,000 barrels;
- (d) by paying to the Board, upon submission after the end of each calendar month of accounts in triplicate for the processing of apples for the Minister's account, the amounts of such accounts calculated on processing charges to be authorized hereunder, and a storage allowance calculated on the basis of case days of one-eighth cent per complete week per case of processed product remaining on hand with the Board or the processor beyond thirty days after the completion of processing and packing for shipment.

The expenditures during the fiscal year ended March 31st, 1942, were approximately as follows:

Expenditures

British Columbia: - Further expenditures under the 1940-1941 agreement were \$181,810.04; expenditures under the 1941-1942 agreement were \$311,230.68; some further expenditures under the latter agreement will have to be made.

Ontario: - Further expenditures under the 1940-1941 agreement amounted to \$3,819.10.

Nova Scotia: - Further expenditures under the 1940-1941 agreement amounted to \$124,961.24; expenditures under the 1941-1942 agreement amounted to \$1,649,160.92; further expenditures under the latter agreement will have to be made.

The following apple products were manufactured under the agreement from apples grown in 1941:

116,147 cases evaporated apples,

As at March 31st, 1942, stocks on hand of processed products amounted to:

65,392 cases canned apple sauce.

The following amounts have been received from the sale of apple products manufactured in Nova Scotia:

1939 crop	-	\$ 135,473.94
1940 "	-	1,149,970.46
1941 "	-	226,936.30

The British Ministry of Food agreed to purchase from the Department of Agriculture all the evaporated apples manufactured by the Department from the 1941 crop, as well as all canned apples remaining unsold which were manufactured from the 1939 and 1940 crops, and as a result 245,262 cases canned apples were shipped. Considerable quantities of canned apples, evaporated apples from the 1940 crop, and apple sauce were sold for use in military camps. Large quantities of apple sauce were also sold to the commercial markets of Eastern Canada.

RE. FIBRE FLAX PRODUCTION

Since the outbreak of war there has been a substantial increase in fibre flax acreage in Canada. Inspected acreage in 1939 was 8,000 acres; in 1940, 21,000 acres; in 1941, 44,000 acres. At the close of the fiscal year, it was estimated that about 55,000 to 60,000 acres would be sown to this crop in 1942.

In view of the manner in which the fibre flax crop is handled, seed is necessarily a secondary consideration, a great deal of it being lost during the processing of pulling, retting, lifting, and storing. During field inspection of the 1941 crop it was estimated that a potential yield of 164,000 bushels of seed could be secured, but that less than 50 per cent of this amount would finally be available for use as seed in view of the handling losses that had to be taken into account. At the end of the fiscal year it was believed that there would be sufficient seed for the acreage planned for 1942, though it was apparent that there would be shortages of some of the better varieties.

Fibre Flax Machinery - Through action by the Board, the Canadian fibre flax industry has been placed on a mechanized basis that it is hoped will enable it to meet competition from other countries after the war. With harvesting machinery, i.e. pullers and lifters,

the Board's activities were limited to helping the manufacturers secure priorities on materials needed in the making of the machines. With the heavier mill machinery, i.e. turbines and tow scutchers, the Board encouraged the production in Canada of two types of processing machines that had proved their worth under Canadian conditions, by absorbing the cost of making plans, patterns, and tools needed in the production of these, and by placing orders for certain numbers of the specified machines for Government account, these machines for re-sale to processors at no profit to the Government.

Under these mill-machinery arrangements, ten Canadian Tow Scutchers were placed in Canadian flax mills during the year under review, while delivery had begun on ten Canadian Turbine Scutchers. By the close of the fiscal year there were in operation 33 mills more-or-less completely equipped with the necessary facilities to produce line fibre and tow. All these plants were located in the provinces of Ontario and Quebec.

Fibre and Tow - It was estimated that the 1941 crop would produce 1500 tons of line fibre and 4,000 tons of tow. Early in November, 1941, regulations were established for the grading of fibre and tow under Dominion auspices, and six inspectors were employed to give the necessary inspection and grading service. Inspection is performed at the processing plants.

To assure fulfilment of the requirements of the United Kingdom and to bring the export and domestic marketing of the products of flax straw under sufficient control, a Fibre Flax Administrator was appointed in mid-November, 1941.

For the twelve-month period beginning September 15, 1941, an arrangement was entered into between the Board and the British Ministry of Supply (Flax Control), whereby 50 per cent, by grades, of all suitable flax fibre and tow produced in Canada was to be shipped to the United Kingdom. The remainder of the material produced was to be made available to plants in the United States and Canada in need of such material. Under this arrangement, the following quantities of material were shipped out of Canada during the period September 15, 1941, to March 31, 1942:

	United Kingdom Sales in pounds	United States Sales in pounds
<u>Line Fibre</u>		
Canada Grade 1	34,306	34,046
Canada Grade 2	234,931	172,306
Canada Grade 3	270,661	185,792
Canada Grade 4	185,714	107,314
<u>Tow</u>		
Tossed Flax "A"	95,236	33,029
Tossed Flax "B"	179,321	63,439
Tossed Flax "C"	145,525	29,307
Pluckings	54,362	12,032
Turbine Tow	1,052,672	453,269
Tow unsuitable for United Kingdom	-	516,626
Waste material (paper stock quality)	-	108,803

MISCELLANEOUS

Equipment and Containers (Priorities)

About the beginning of the year under review, the Board found it necessary to interest itself in questions of priorities on materials needed in agricultural production. Early problems had to do

with the needs of the fibre flax industry. Manufacturers of flax machinery were given assistance in securing priorities on the steel, rubber, and other materials required, while processing plants were notified of procedure to be followed in seeking priorities on electrical and other equipment. Representatives of the Board likewise worked out with the Controller of Construction certain problems arising with the erection of new flax mills and the enlargement of existing ones.

Following the spread of war activities to Pacific and Indian Ocean areas, problems of supply developed rapidly. Not only did acute problems arise respecting supplies of jute from India (bags), sisal and other hard fibre from the Philippines (rope and twine), tin from Malaya (dairy equipment, containers for fruits, vegetables, evaporated milk), and many vegetable oils, but the speeding up of war industries both in the United States and Canada brought severe restrictions of supplies of steel and certain other products for other than purely war purposes.

The Board appointed a Technical Adviser on Equipment and Containers who collaborated closely with the Farm and Road Machinery Administrator of the Wartime Prices and Trade Board with a view to keeping before the Administrator the views of the Agricultural Supplies Board concerning the use to be made of whatever steel might be available for the making of farm implements and repair parts. Conferences were held between the Board and allied bodies and officials of the Metals Controller's office concerning tinplate requirements of the dairy industry, the meat packing industry, and the fruit and vegetable canning industry, and much work was done in securing priorities on steel and tin required for dairy equipment and for containers needed by the industries mentioned.

In view of shortages of jute for bags, the Board assisted in securing priorities on paper stocks used for fertilizer bags as well as in helping fertilizer firms with priorities on weighing and stitching equipment required in the change-over to paper bags. Some of the other specific problems dealt with concerned priorities on sprayers, beet machinery, corn pickers, tractor attachments; construction and equipment requirements of cheese factories, milk plants, dehydration plants; equipment and containers for the maple industry, the beekeeping industry; supplies of jars and accessories for home canning, ice cream containers; and certain alternative types of packaging of various types of foods.

Keeping the Public Informed

In addition to the Progress Reports mentioned earlier, special releases were made to the press from time to time respecting new developments; officials of Dominion and Provincial Departments of Agriculture, heads of departments at agricultural colleges, and editors of farm papers were supplied with such significant summaries of Canadian agricultural developments as "Canadian Shipments of Farm Products to Britain" (November 1941), an address by the Dominion Deputy Minister of Agriculture entitled "1942 Agricultural Position and Production" (February 1942), and "Canadian Agriculture and the War" (February 1942).

Throughout the year, an aggressive advertising campaign was conducted in the farm press on matters connected with bacon hog production; as the year began, an advertising campaign on more milk through better crops for feeding was drawing to a close; while during the summer of 1941 advertisements were published in farm papers in the Prairie Provinces with respect to control of grain mites. Publicity in connection with 1942 crop programmes for the Prairie Provinces has been mentioned earlier in this report.

REPORTS OF ALLIED BOARDS

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BACON BOARD

Report for the Year Ended March 31, 1942.

During the fiscal year 1941-42 the Bacon Board completed shipments for the second half of the contract year which commenced October 1st, 1940, exceeding the basic quantity of 425,600,000 lb. by a considerable volume. The third contract, covering the delivery of 600,000,000 lb. at an increase in price approximating \$3.50 over the original price of the second contract, became immediately effective.

During the fiscal year 1941-42 numerous steps were taken by the Bacon Board as a means of securing necessary quantities and qualities for export from a total production apparently not large enough to fill the contract with the British Ministry and to supply domestic and foreign demand in full.

At the beginning of the fiscal year, of the total quantity of 425,600,000 lb. of bacon to be delivered by September 30, 1941, approximately 50.5 per cent had been purchased. The increasing of weekly export volume in order to make delivery of the contract quantity substantially before the original expiration date October 31st, was undertaken. Early in February approaches were made by the British Ministry of Food for additional quantities. Subsequently it was agreed to endeavour to fill the contract six weeks in advance, or by September 15th. The chief problems involved were:

- (1) Seasonal decreases in hog marketings during summer months.
- (2) Increasing exports to United States following improvement in hog prices in that country.
- (3) An increasing and high rate of domestic consumption in Canada.

On May 2nd the price of A grade, No. 1 Sizeable export Wiltshire sides was increased from \$16.10 to \$17.10 per 100 pounds, with other grades, weights and selections in proportion. This was paid by the British Government, to check exports to the United States, and on the understanding that further increases would be borne by the Canadian Government.

On May 19th the Board ordered restriction of domestic distribution of pork to the weekly average of 1940. Hog slaughterers were required to apply to the Board for license to operate after May 31st, 1941.

On May 28th the sum of \$2,000,000 was allocated by the Dominion Government as a fund to enable the Bacon Board to maintain Canadian hog prices at a satisfactory level in relation to increasing United States prices and thus prevent diversion from Britain, and on June 2nd a second increase in the bacon price was made, raising A No. 1 Sizeable from \$17.10 to \$17.85 per 100 lb. This, as agreed, was financed by the Dominion Government.

An "eat-less-pork" campaign was started in June. Letters were sent to retailers, restaurants, hotels, operators of dining cars, etc. Consumers were informed that pork purchases should be restricted by 50 per cent during summer months, and on June 24th a third increase in bacon price was effected, raising A grade No. 1 Sizeable Wiltshires to \$18.60 per 100 lb. An additional \$1,000,000 was allocated in July to support Canadian hog prices and stimulate production. It was intimated that the 1941-42 agreement would likely call for the delivery of 600,000,000 lb. of bacon and that further restriction of product movements

other than to Britain would be necessary. Exports of live hogs were placed under prohibition, and exports of edible pork products, excluding lard, to points other than the United Kingdom and British possessions prohibited.

Also a further increase in the price of bacon to \$19.60 was provided, and domestic distribution reduced to 75 per cent of the 1940 average, for both domestic and export plants.

On September 12th an agreement was concluded for delivery to the British Ministry of Food of 600,000,000 lb. of bacon during the period ending September 30, 1942, shipments to consist of 75 per cent Wiltshire sides. The price for A grade product was to be \$19.77 per 100 pounds, Canadian seaboard.

The schedule of graded prices for bacon purchased for the 1941-42 contract on and after October 13th was announced, and provided for a price of \$19.90 for A grade, No. 1 Sizeable, as compared with \$19.60 at the close and \$16.10 at the commencement of the 1940-41 agreement.

A pork offals contract was completed in October and called for the delivery per month of 450 tons of livers at 10 $\frac{1}{4}$ ¢, 75 tons of kidneys at 12.14¢, and 100 tons of tongues at 11.07¢ per lb.

Announcement was made that on and after December 5, restrictions would be imposed on the slaughter by exporting plants of hogs dressing less than 130 lb., with a small tolerance allowed. Discounts on B2 carcasses to be restored to former levels.

Packers were advised that effective February 2nd, they would be required to deliver 120 lb. of export product for every hog in excess of domestic quota, in place of 115 lb. as previously.

As from March 21st, to facilitate removing the discount on B3 carcasses, sides from 65-75 lb. in weight were to be purchased on same price basis as formerly prevailed for 65-70 lb. sides.

In the first 25 weeks of the present contract, or up to March 28, 1942, a total of approximately 267,000,000 lb. of bacon had been cured or were in process of cure for export. In addition there were about 26 million lb. in storage, making a total of 313,000,000 lb. purchased, or 52 per cent of the total contract quantity of 600,000,000 lb.

The stability to prices and the very liquid condition of the market apparently have induced confidence in production, and further increases are indicated for the Prairie Provinces, while other provinces would seem to be instituting a programme to at least maintain present volume. The combined capacity of the export and domestic market is sufficiently wide to absorb whatever quantities of product may be produced during the present pig year.

DAIRY PRODUCTS BOARD

Report for the Year Ended March 31, 1942.

1941-42 Agreements

Cheese - Agreement called for the shipment of at least 112,000,000 lb. of Canadian Cheddar cheese, at a price of 14.4¢ per pound, for First Grade, 13.9¢ for Second Grade, and 13.4¢ for Third Grade, f.o.b. boat or railway car, Montreal.

Actual amount of cheese shipped:

115,392,071 pounds, invoiced value	-	\$16,596,917.82
Subsidy at the rate of 1.6¢ per lb.	-	1,784,411.84
TOTAL		\$18,381,329.66 *

* There was paid to the producer, in addition to the above amount, \$1,494,816.67 in the form of premiums on high scoring cheese, and the provincial bonus of 2 cents per pound on all cheese produced in the province of Ontario, and 2 cents per pound on all cheese classified as First Grade produced in the province of Quebec.

First Grade -	Export value	14.4¢	per lb.
	Subsidy	1.6¢	" "
	Premium 1¢ or 2¢	2. ¢	" "
	Provincial bonus	2. ¢	" "
	Total	20.0¢	" "

Evaporated Milk - Agreement called for the shipment of 658,000 cases (48 lbs. per case) of evaporated milk, at a price of \$4.12½ per case, f.o.b. Eastern Atlantic port, and \$4.00 per case f.o.b. Vancouver or New Westminster for Western shipments.

Actual amount of evaporated milk shipped:

As at April 30, 1942	-	626,357 cases
To be shipped	-	17,302 "
Total		643,659 "
Invoice value - \$2,632,723.50		

Invoiced value of cheese and milk - \$19,229,152.39

Invoiced value plus 1.6¢ per lb.
cheese subsidy - 21,013,564.23

1942-43 Agreements

Although the 1942-43 agreements do not come into the fiscal year presently under review, readers of this report may be interested in knowing the terms of such agreements.

Cheese - Agreement calls for the shipment of 125,000,000 lbs. of cheese, at a price of 20¢ per pound for First Grade, 19.5¢ per pound for Second Grade, and 19¢ per pound for Third Grade, f.o.b. boat or railway car, Montreal.

Estimated value of 125,000,000 pounds of cheese - \$25,222,400.00

There will be paid to the producer, in addition, the usual premium on high-scoring cheese of 1¢ or 2¢ per pound, depending on quality, and 2¢ per pound provincial bonus, which has already been announced by the Government of Ontario.

First Grade Cheese -	Export value	- 20¢
	Premium on 94 score	
	or over	- 2¢
	Provincial bonus	- 2¢
	Total	- 24¢ per pound

Evaporated Milk - Agreement calls for the shipment of 668,000 cases of evaporated milk, at a price of \$4.45 per case, f.o.b. boat or railway car, Montreal, for milk produced in Ontario and Quebec, and \$4.32½ per case, f.o.b. boat or railway car, Vancouver, or New Westminster, for milk produced in British Columbia.

Estimated value of 668,000 cases - \$ 2,950,100.00
Estimated total value of cheese and milk - 28,172,500.00

SPECIAL PRODUCTS BOARD

Report for the Year Ended March 31, 1942

The Special Products Board was created by Order in Council P.C. 2520, on April 15, 1941. The purpose of the Board originally set up was to regulate the export to the United Kingdom of any product of agriculture processed or unprocessed, except bacon or dairy products, pursuant to agreement made between the Government of Canada and the United Kingdom. Its powers, however, were extended by Order in Council P.C. 2164, dated March 29, 1942, to include agreements with any government or the accredited representative of any government in the British Empire or of any nation allied with Great Britain in the present war. The Board has quite wide powers to enable it to perform the function for which it was intended.

The work of the Board has been divided into two sections, namely, the Poultry Products Section and the Fruit and Vegetables Section. A manager has been appointed to direct the work of each Section.

The Poultry Products Section

Since it was created in April, 1941, the Board has entered into contracts with the British Ministry of Food for supplies of Canadian eggs and has handled all shipments of eggs to the United Kingdom. Contracts and shipments of eggs are as follows:-

<u>Contracts</u>	<u>Supplied in fiscal year 1941-42</u>
1941 - 460,000 cases	457,451 cases
1942 - 1,500,000 cases	367,608 cases

On February 6th, 1942, instructions were received from Britain to forward the remaining quantity of the 1942 contracts as dried eggs. Shipments in shell to that date totalled 137,630 cases, leaving 1,362,370 cases to be dried.

Three egg-drying plants, located at Trenton, Ont., Winnipeg, and Saskatoon, were brought into immediate operation to dry eggs for the Board. Milk drying plants at Ottawa, Gananoque, and Belmont, Ontario, were converted to egg drying. Additional drying plants are being constructed under private auspices at Toronto, Winnipeg, Calgary, and Edmonton, and the plant at Saskatoon is being enlarged. These plants are being constructed under agreements with the Canadian Government.

Fruit and Vegetables Section

The following Canadian fruit and vegetable products were sold by the Special Products Board to the British Ministry of Food or to importers named by the Ministry:

- 400 short tons Onions
- 1,199,990 boxes British Columbia Apples
- 9,579 barrels Ontario Apples
- 101,465 barrels Nova Scotia Apples
- 116,147 cases Evaporated Apples 50's
- 273,685 cases canned Apples
- 2,104,334 lbs. Dried Apple Pomace
- 3,982 barrels Concentrated Apple Juice
- 300,000 cases canned Tomatoes
- 2,724,710 lbs. SO₂ Strawberries
- 224,000 lbs. SO₂ Raspberries
- 128,014 lbs. Black Currants
- 1,643,921 lbs. Greengage Plums
- 16,380 lbs. Green Plum Pulp
- 215,880 lbs. Red Plum Pulp
- 68,470 lbs. Damson Plum Pulp
- 1,670,540 lbs. Prune Pulp

The value of the above shipments exceeds \$4,200,000.

In addition to the above, the Special Products Board took over certain transactions with the United Kingdom which had, prior to its formation, been carried on by the representatives of the Agricultural Supplies Board. Below is shown the payments received for these products:

SO ₂ Strawberries	\$166,261.20
Dried Apple Pomace	\$18,783.95
Dried Apple Skins & Cores	\$2,143.21
Evaporated Apples	\$36,407.50
Canned Apples	\$669,930.40

